

Adopted	Rejected
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## COMMITTEE REPORT

YES:	22
NO:	0

### MR. SPEAKER:

*Your Committee on* Ways and Means, to which was referred Senate Bill 355, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1           Page 1, between lines 9 and 10, begin a new paragraph and insert:
- 2           "SECTION 2. IC 6-1.1-18.5-12 IS AMENDED TO READ AS
- 3           FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Any civil
- 4           taxing unit that determines that it cannot carry out its governmental
- 5           functions for an ensuing calendar year under the levy limitations
- 6           imposed by section 3 of this chapter may:
- 7           (1) before September 20 **of the calendar year immediately**
- 8           **preceding the ensuing calendar year; or**
- 9           (2) in the case of a request described in section 16 of this chapter,
- 10          before:
- 11          **(A) December 31 of the calendar year immediately preceding**
- 12          **the ensuing calendar year; or**
- 13          **(B) with the approval of the county fiscal body of the**
- 14          **county in which the civil taxing unit is located, March 1 of**
- 15          **the ensuing calendar year;**

1 appeal to the department of local government finance for relief from  
 2 those levy limitations. In the appeal the civil taxing unit must state that  
 3 it will be unable to carry out the governmental functions committed to  
 4 it by law unless it is given the authority that it is petitioning for. The  
 5 civil taxing unit must support these allegations by reasonably detailed  
 6 statements of fact.

7 (b) The department of local government finance shall promptly  
 8 deliver to the local government tax control board every appeal petition  
 9 it receives under subsection (a) and any materials it receives relevant to  
 10 those appeals. Upon receipt of an appeal petition, the local government  
 11 tax control board shall immediately proceed to the examination and  
 12 consideration of the merits of the civil taxing unit's appeal.

13 (c) In considering an appeal, the local government tax control board  
 14 has the power to conduct hearings, require any officer or member of the  
 15 appealing civil taxing unit to appear before it, or require any officer or  
 16 member of the appealing civil taxing unit to provide the board with any  
 17 relevant records or books.

18 (d) If an officer or member:

19 (1) fails to appear at a hearing of the local government tax control  
 20 board after having been given written notice from the local  
 21 government tax control board requiring ~~his~~ **that person's**  
 22 attendance; or

23 (2) fails to produce for the local government tax control board's  
 24 use the books and records that the local government tax control  
 25 board by written notice required the officer or member to produce;  
 26 then the local government tax control board may file an affidavit in the  
 27 circuit court in the jurisdiction in which the officer or member may be  
 28 found setting forth the facts of the failure.

29 (e) Upon the filing of an affidavit under subsection (d), the circuit  
 30 court shall promptly issue a summons, and the sheriff of the county  
 31 within which the circuit court is sitting shall serve the summons. The  
 32 summons must command the officer or member to appear before the  
 33 local government tax control board, to provide information to the local  
 34 government tax control board, or to produce books and records for the  
 35 local government tax control board's use, as the case may be.  
 36 Disobedience of the summons constitutes, and is punishable as, a  
 37 contempt of the circuit court that issued the summons.

38 (f) All expenses incident to the filing of an affidavit under

subsubsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

**(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.**

SECTION 3. IC 6-1.1-19-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum normal tax levy.

(c) If a county board of tax adjustment approves, or recommends the approval of, an excessive tax levy for a school corporation, the auditor of the county for which the county board is acting shall reduce the excessive tax levy to the maximum normal tax levy. Such a reduction shall be set out in the notice required to be published by the auditor under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as provided under IC 6-1.1-17 as modified by this chapter.

(d) Appeals from any action of a county board of tax adjustment or county auditor in respect of a school corporation's budget, tax levy, or tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding IC 6-1.1-17, a school corporation may appeal to the department of local government finance for emergency financial relief for the ensuing calendar year at any time before:

(1) September 20 **of the calendar year immediately preceding the ensuing calendar year;** or

(2) in the case of a request described in section 4.7(a) of this chapter:

(A) December 31 of the calendar year immediately preceding the ensuing calendar year; or

**(B) with the approval of the county fiscal body of the county in which the school corporation is located, March 1 of the ensuing calendar year.**

(e) In the appeal petition in which a school corporation seeks emergency financial relief, the appellant school corporation shall allege that, unless it is given the emergency financial relief for which it petitions, it will be unable to carry out, in the ensuing calendar year, the public educational duty committed to it by law, and it shall support that allegation by reasonably detailed statements of fact.

(f) When an appeal petition in which a school corporation petitions for emergency financial relief is filed with the department of local government finance, the department shall include, in the notice of the hearing in respect of the petition that it is required to give under IC 6-1.1-17-16, a statement to the effect that the appellant school corporation is seeking emergency financial relief for the ensuing calendar year. A subsequent action taken by the department of local government finance in respect of such an appeal petition is not invalid, however, or otherwise affected, if the department fails to include such a statement in the hearing notice.

**(g) The fiscal officer of a school corporation that appeals under section 4.7(a) of this chapter for relief from levy limitations under this chapter shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.**

SECTION 4. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2005, SECTION 92, AND AS AMENDED BY P.L.246-2005, SECTION 64, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

1 (c) "Department" means the department of state revenue.

2 (d) "Auditor's abstract" means the annual report prepared by each  
3 county auditor which under IC 6-1.1-22-5 is to be filed ~~on or before~~  
4 ~~March 1~~ of each year with the auditor of state.

5 (e) "Mobile home assessments" means the assessments of mobile  
6 homes made under IC 6-1.1-7.

7 (f) "Postabstract adjustments" means adjustments in taxes made  
8 subsequent to the filing of an auditor's abstract which change  
9 assessments therein or add assessments of omitted property affecting  
10 taxes for such assessment year.

11 (g) "Total county tax levy" means the sum of:

12 (1) the remainder of:

13 (A) the aggregate levy of all taxes for all taxing units in a  
14 county which are to be paid in the county for a stated  
15 assessment year as reflected by the auditor's abstract for the  
16 assessment year, adjusted, however, for any postabstract  
17 adjustments which change the amount of the aggregate levy;  
18 minus

19 (B) the sum of any increases in property tax levies of taxing  
20 units of the county that result from appeals described in:

21 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after  
22 December 31, 1982; plus

23 (ii) the sum of any increases in property tax levies of taxing  
24 units of the county that result from any other appeals  
25 described in IC 6-1.1-18.5-13 filed after December 31, 1983;  
26 plus

27 (iii) IC 6-1.1-18.6-3 (children in need of services and  
28 delinquent children who are wards of the county); minus

29 (C) the total amount of property taxes imposed for the stated  
30 assessment year by the taxing units of the county under the  
31 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),  
32 IC 12-19-5, or IC 12-20-24; minus

33 (D) the total amount of property taxes to be paid during the  
34 stated assessment year that will be used to pay for interest or  
35 principal due on debt that:

36 (i) is entered into after December 31, 1983;

37 (ii) is not debt that is issued under IC 5-1-5 to refund debt  
38 incurred before January 1, 1984; and

- 1 (iii) does not constitute debt entered into for the purpose of
- 2 building, repairing, or altering school buildings for which the
- 3 requirements of IC 20-5-52 (*repealed*) were satisfied prior to
- 4 January 1, 1984; minus
- 5 (E) the amount of property taxes imposed in the county for the
- 6 stated assessment year under the authority of IC 21-2-6
- 7 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 8 cumulative building fund whose property tax rate was initially
- 9 established or reestablished for a stated assessment year that
- 10 succeeds the 1983 stated assessment year; minus
- 11 (F) the remainder of:
- 12 (i) the total property taxes imposed in the county for the
- 13 stated assessment year under authority of IC 21-2-6
- 14 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 15 cumulative building fund whose property tax rate was not
- 16 initially established or reestablished for a stated assessment
- 17 year that succeeds the 1983 stated assessment year; minus
- 18 (ii) the total property taxes imposed in the county for the
- 19 1984 stated assessment year under the authority of IC 21-2-6
- 20 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 21 cumulative building fund whose property tax rate was not
- 22 initially established or reestablished for a stated assessment
- 23 year that succeeds the 1983 stated assessment year; minus
- 24 (G) the amount of property taxes imposed in the county for the
- 25 stated assessment year under:
- 26 (i) IC 21-2-15 for a capital projects fund; plus
- 27 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- 28 (iii) ~~IC 20-14-13~~ IC 36-12-12 for a library capital projects
- 29 fund; plus
- 30 (iv) ~~IC 20-5-17.5-3~~ IC 36-10-13-7 for an art association
- 31 fund; plus
- 32 (v) IC 21-2-17 for a special education preschool fund; plus
- 33 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- 34 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
- 35 a school corporation's maximum permissible general fund
- 36 levy for certain transfer tuition costs; plus
- 37 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
- 38 a school corporation's maximum permissible general fund

- 1           levy for transportation operating costs; minus
- 2           (H) the amount of property taxes imposed by a school
- 3           corporation that is attributable to the passage, after 1983, of a
- 4           referendum for an excessive tax levy under IC 6-1.1-19,
- 5           including any increases in these property taxes that are
- 6           attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
- 7           any other law; minus
- 8           (I) for each township in the county, the lesser of:
- 9               (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 10              STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
- 11              whichever is applicable, plus the part, if any, of the
- 12              township's ad valorem property tax levy for calendar year
- 13              1989 that represents increases in that levy that resulted from
- 14              an appeal described in IC 6-1.1-18.5-13(4) filed after
- 15              December 31, 1982; or
- 16              (ii) the amount of property taxes imposed in the township for
- 17              the stated assessment year under the authority of
- 18              IC 36-8-13-4; minus
- 19           (J) for each participating unit in a fire protection territory
- 20           established under IC 36-8-19-1, the amount of property taxes
- 21           levied by each participating unit under IC 36-8-19-8 and
- 22           IC 36-8-19-8.5 less the maximum levy limit for each of the
- 23           participating units that would have otherwise been available
- 24           for fire protection services under IC 6-1.1-18.5-3 and
- 25           IC 6-1.1-18.5-19 for that same year; minus
- 26           (K) for each county, the sum of:
- 27               (i) the amount of property taxes imposed in the county for
- 28              the repayment of loans under IC 12-19-5-6 (repealed) that is
- 29              included in the amount determined under IC 12-19-7-4(a)
- 30              STEP SEVEN for property taxes payable in 1995, or for
- 31              property taxes payable in each year after 1995, the amount
- 32              determined under IC 12-19-7-4(b); and
- 33              (ii) the amount of property taxes imposed in the county
- 34              attributable to appeals granted under IC 6-1.1-18.6-3 that is
- 35              included in the amount determined under IC 12-19-7-4(a)
- 36              STEP SEVEN for property taxes payable in 1995, or the
- 37              amount determined under IC 12-19-7-4(b) for property taxes
- 38              payable in each year after 1995; plus

- 1 (2) all taxes to be paid in the county in respect to mobile home
- 2 assessments currently assessed for the year in which the taxes
- 3 stated in the abstract are to be paid; plus
- 4 (3) the amounts, if any, of county adjusted gross income taxes that
- 5 were applied by the taxing units in the county as property tax
- 6 replacement credits to reduce the individual levies of the taxing
- 7 units for the assessment year, as provided in IC 6-3.5-1.1; plus
- 8 (4) the amounts, if any, by which the maximum permissible ad
- 9 valorem property tax levies of the taxing units of the county were
- 10 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
- 11 assessment year; plus
- 12 (5) the difference between:
  - 13 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
  - 14 minus
  - 15 (B) the amount the civil taxing units' levies were increased
  - 16 because of the reduction in the civil taxing units' base year
  - 17 certified shares under IC 6-1.1-18.5-3(e).
- 18 (h) "December settlement sheet" means the certificate of settlement
- 19 filed by the county auditor with the auditor of state, as required under
- 20 IC 6-1.1-27-3.
- 21 (i) "Tax duplicate" means the roll of property taxes which each
- 22 county auditor is required to prepare ~~on or before March 1 of~~ each year
- 23 under IC 6-1.1-22-3.
- 24 (j) "Eligible property tax replacement amount" is, *except as*
- 25 *otherwise provided by law*, equal to the sum of the following:
  - 26 (1) Sixty percent (60%) of the total county tax levy imposed by
  - 27 each school corporation in a county for its general fund for a
  - 28 stated assessment year.
  - 29 (2) Twenty percent (20%) of the total county tax levy (less sixty
  - 30 percent (60%) of the levy for the general fund of a school
  - 31 corporation that is part of the total county tax levy) imposed in a
  - 32 county on real property for a stated assessment year.
  - 33 (3) Twenty percent (20%) of the total county tax levy (less sixty
  - 34 percent (60%) of the levy for the general fund of a school
  - 35 corporation that is part of the total county tax levy) imposed in a
  - 36 county on tangible personal property, excluding business personal
  - 37 property, for an assessment year.
- 38 (k) "Business personal property" means tangible personal property

- 1 (other than real property) that is being:
- 2 (1) held for sale in the ordinary course of a trade or business; or
- 3 (2) held, used, or consumed in connection with the production of
- 4 income.
- 5 (l) "Taxpayer's property tax replacement credit amount" means,
- 6 *except as otherwise provided by law*, the sum of the following:
- 7 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
- 8 year for taxes imposed by a school corporation for its general fund
- 9 for a stated assessment year.
- 10 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
- 11 assessment year for a total county tax levy (less sixty percent
- 12 (60%) of the levy for the general fund of a school corporation that
- 13 is part of the total county tax levy) on real property.
- 14 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated
- 15 assessment year for a total county tax levy (less sixty percent
- 16 (60%) of the levy for the general fund of a school corporation that
- 17 is part of the total county tax levy) on tangible personal property
- 18 other than business personal property.
- 19 (m) "Tax liability" means tax liability as described in section 5 of
- 20 this chapter.
- 21 (n) "General school operating levy" means the ad valorem property
- 22 tax levy of a school corporation in a county for the school corporation's
- 23 general fund.
- 24 (o) *"Board" refers to the property tax replacement fund board*
- 25 *established under section 10 of this chapter.*
- 26 SECTION 5. IC 6-1.1-22-3 IS AMENDED TO READ AS
- 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) **Except as**
- 28 **provided in subsection (b)**, the auditor of each county shall, before
- 29 March 15 of each year, prepare a roll of property taxes payable in that
- 30 year for the county. This roll shall be known as the "tax duplicate" and
- 31 shall show:
- 32 (1) the value of all the assessed property of the county;
- 33 (2) the person liable for the taxes on the assessed property; and
- 34 (3) any other information that the state board of accounts, with the
- 35 advice and approval of the department of local government
- 36 finance, may prescribe.
- 37 **(b) If the county auditor receives a copy of an appeal petition**
- 38 **under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county**

1 auditor completes preparation of the tax duplicate under  
 2 subsection (a), the county auditor shall complete preparation of the  
 3 tax duplicate when the appeal is resolved by the department of  
 4 local government finance.

5 (c) If the county auditor receives a copy of an appeal petition  
 6 under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county  
 7 auditor completes preparation of the tax duplicate under  
 8 subsection (a), the county auditor shall prepare a revised tax  
 9 duplicate when the appeal is resolved by the department of local  
 10 government finance that reflects the action of the department.

11 ~~(b)~~ (d) The county auditor shall comply with the instructions issued  
 12 by the state board of accounts for the preparation, preservation,  
 13 alteration, and maintenance of the tax duplicate. The county auditor  
 14 shall deliver a copy of the tax duplicate prepared under subsection (a)  
 15 to the county treasurer before March 1 of each year. when preparation  
 16 of the tax duplicate is completed.

17 SECTION 6. IC 6-1.1-22-5 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as  
 19 provided in subsections (b) and (c), on or before March 15 of each  
 20 year, the county auditor shall prepare and deliver to the auditor of state  
 21 and the county treasurer a certified copy of an abstract of the property,  
 22 assessments, taxes, deductions, and exemptions for taxes payable in that  
 23 year in each taxing district of the county. The county auditor shall  
 24 prepare the abstract in such a manner that the information concerning  
 25 property tax deductions reflects the total amount of each type of  
 26 deduction. The abstract shall also contain a statement of the taxes and  
 27 penalties unpaid in each taxing unit at the time of the last settlement  
 28 between the county auditor and county treasurer and the status of these  
 29 delinquencies. The county auditor shall prepare the abstract on the form  
 30 prescribed by the state board of accounts. The auditor of state, county  
 31 auditor, and county treasurer shall each keep a copy of the abstract in  
 32 his office as a public record.

33 (b) If the county auditor receives a copy of an appeal petition  
 34 under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county  
 35 auditor prepares and delivers the certified copy of the abstract  
 36 under subsection (a), the county auditor shall prepare and deliver  
 37 the certified copy of the abstract when the appeal is resolved by the  
 38 department of local government finance.

1       (c) If the county auditor receives a copy of an appeal petition  
 2 under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county  
 3 auditor prepares and delivers the certified copy of the abstract  
 4 under subsection (a), the county auditor shall prepare and deliver  
 5 a certified copy of a revised abstract when the appeal is resolved by  
 6 the department of local government finance that reflects the action  
 7 of the department.

8       SECTION 7. IC 6-1.1-22-9 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as  
 10 provided in ~~IC 6-1.1-7-7~~, section 9.5 of this chapter, and subsection  
 11 subsections (b) and (c) the property taxes assessed for a year under this  
 12 article are due in two (2) equal installments on May 10 and November  
 13 10 of the following year.

14       (b) Subsection (a) does not apply if any of the following apply to  
 15 the property taxes assessed for the year under this article:

16       (1) Subsection (c).

17       (2) Subsection (d).

18       (3) IC 6-1.1-7-7.

19       (4) Section 9.5 of this chapter.

20       ~~(b)~~ (c) A county council may adopt an ordinance to require a person  
 21 to pay the person's property tax liability in one (1) installment, if the tax  
 22 liability for a particular year is less than twenty-five dollars (\$25). If the  
 23 county council has adopted such an ordinance, then whenever a tax  
 24 statement mailed under section 8 of this chapter shows that the person's  
 25 property tax liability for a year is less than twenty-five dollars (\$25) for  
 26 the property covered by that statement, the tax liability for that year is  
 27 due in one (1) installment on May 10 of that year.

28       (d) If the county treasurer receives a copy of an appeal petition  
 29 under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county  
 30 treasurer mails or transmits statements under section 8(a) of this  
 31 chapter, the county auditor may:

32       (1) mail or transmit the statements without regard to the  
 33 pendency of the appeal and, if the resolution of the appeal by  
 34 the department of local government finance results in changes  
 35 in levies, mail or transmit reconciling statements under  
 36 subsection (e); or

37       (2) delay the mailing or transmission of statements under  
 38 section 8(a) of this chapter so that:

1           (A) the due date of the first installment that would  
2           otherwise be due under subsection (a) is delayed by not  
3           more than sixty (60) days; and

4           (B) all statements reflect any changes in levies that result  
5           from the resolution of the appeal by the department of  
6           local government finance.

7           (e) A reconciling statement under subsection (d)(1) must  
8           indicate:

9           (1) the total amount due for the year;  
10          (2) the total amount of the installments paid that did not  
11          reflect the resolution of the appeal under IC 6-1.1-18.5-12(g)  
12          or IC 6-1.1-19-2(g) by the department of local government  
13          finance;

14          (3) if the amount under subdivision (1) exceeds the amount  
15          under subdivision (2), the adjusted amount that is payable by  
16          the taxpayer:

17               (A) as a final reconciliation of all amounts due for the year;  
18               and

19               (B) not later than:

20                   (i) November 10; or

21                   (ii) the date or dates established under section 9.5 of this  
22                  chapter; and

23          (4) if the amount under subdivision (2) exceeds the amount  
24          under subdivision (1), that the taxpayer may claim a refund  
25          of the excess under IC 6-1.1-26.

26          ~~(e)~~ (f) If property taxes are not paid on or before the due date, the  
27          penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
28          taxes.

29          ~~(d)~~ (g) Notwithstanding any other law, a property tax liability of less  
30          than five dollars (\$5) is increased to five dollars (\$5). The difference  
31          between the actual liability and the five dollar (\$5) amount that appears  
32          on the statement is a statement processing charge. The statement  
33          processing charge is considered a part of the tax liability.

34          SECTION 8. IC 6-1.1-22-9.5 IS AMENDED TO READ AS  
35          FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This  
36          section applies only to property taxes first due and payable in a year  
37          that begins after December 31, 2003:

38               (1) with respect to a homestead (as defined in IC 6-1.1-20.9-1);

1 and

2 (2) that are not payable in one (1) installment under ~~section 9(b)~~  
3 **section 9(c)** of this chapter.

4 (b) At any time before the mailing or transmission of tax statements  
5 for a year under section 8 of this chapter, a county may petition the  
6 department of local government finance to establish a schedule of  
7 installments for the payment of property taxes with respect to:

8 (1) real property that are based on the assessment of the property  
9 in the immediately preceding year; or

10 (2) a mobile home or manufactured home that is not assessed as  
11 real property that are based on the assessment of the property in  
12 the current year.

13 The county fiscal body (as defined in IC 36-1-2-6) ~~the county auditor;~~  
14 ~~and the county treasurer~~ must approve a petition under this subsection.

15 (c) The department of local government finance:

16 (1) may not establish a date for:

17 (A) an installment payment that is earlier than May 10 of the  
18 year in which the tax statement is mailed or transmitted;

19 (B) the first installment payment that is later than November  
20 10 of the year in which the tax statement is mailed or  
21 transmitted; or

22 (C) the last installment payment that is later than May 10 of the  
23 year immediately following the year in which the tax statement  
24 is mailed or transmitted; and

25 (2) shall:

26 (A) prescribe the form of the petition under subsection (b);

27 (B) determine the information required on the form; and

28 (C) notify the county fiscal body, the county auditor, and the  
29 county treasurer of the department's determination on the  
30 petition not later than twenty (20) days after receiving the  
31 petition.

32 (d) Revenue from property taxes paid under this section in the year  
33 immediately following the year in which the tax statement is mailed or  
34 transmitted under section 8 of this chapter:

35 (1) is not considered in the determination of a levy excess under  
36 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the  
37 property taxes are paid; and

38 (2) may be:

- 1 (A) used to repay temporary loans entered into by a political  
 2 subdivision for; and  
 3 (B) expended for any other reason by a political subdivision in  
 4 the year the revenue is received under an appropriation from;  
 5 the year in which the tax statement is mailed or transmitted under  
 6 section 8 of this chapter.

7 SECTION 9. IC 6-1.1-22.5-6 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **Except as**  
 9 **provided in subsection (c)**, with respect to property taxes payable  
 10 under this article on assessments determined for the 2003 assessment  
 11 date or the assessment date in any later year, the county treasurer may,  
 12 except as provided by section 7 of this chapter, use a provisional  
 13 statement under this chapter if the county auditor fails to deliver the  
 14 abstract for that assessment date to the county treasurer under  
 15 IC 6-1.1-22-5 before March 16 of the year following the assessment  
 16 date.

17 (b) The county treasurer shall give notice of the provisional  
 18 statement, including disclosure of the method that is to be used in  
 19 determining the tax liability to be indicated on the provisional  
 20 statement, by publication one (1) time:

21 (1) in the form prescribed by the department of local government  
 22 finance; and

23 (2) in the manner described in IC 6-1.1-22-4(b).

24 The notice may be combined with the notice required under section 10  
 25 of this chapter.

26 **(c) Subsection (a) does not apply if the county auditor fails to**  
 27 **deliver the abstract as provided in IC 6-1.1-22-5(b).".**

28 Page 3, delete lines 31 through 42, begin a new paragraph and insert:

29 "SECTION 4. IC 6-1.1-37-10 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) Except as  
 31 provided in ~~section 10.5~~ **sections 10.5 and 10.7** of this chapter, if an  
 32 installment of property taxes is not completely paid on or before the due  
 33 date, a penalty ~~equal to ten percent (10%) of the amount of delinquent~~  
 34 ~~taxes~~ shall be added to the unpaid portion in the year of the initial  
 35 delinquency. **The penalty is equal to an amount determined as**  
 36 **follows:**

37 (1) If:

38 (A) an installment of property taxes is completely paid on

1           **or before the date thirty (30) days after the due date; and**  
 2           **(B) the taxpayer is not liable for delinquent property taxes**  
 3           **first due and payable in a previous year for the same**  
 4           **parcel;**

5           **the amount of the penalty is equal to five percent (5%) of the**  
 6           **amount of delinquent taxes.**

7           **(2) If subdivision (1) does not apply, the amount of the penalty**  
 8           **is equal to ten percent (10%) of the amount of delinquent**  
 9           **taxes.**

10          (b) With respect to property taxes due in two (2) equal installments  
 11          under IC 6-1.1-22-9(a), on the day immediately following the due dates  
 12          in May and November of each year following the year of the initial  
 13          delinquency, an additional penalty equal to ten percent (10%) of any  
 14          taxes remaining unpaid shall be added. With respect to property taxes  
 15          due in installments under IC 6-1.1-22-9.5, an additional penalty equal  
 16          to ten percent (10%) of any taxes remaining unpaid shall be added on  
 17          the day immediately following each date that succeeds the last  
 18          installment due date by:

19               (1) six (6) months; or

20               (2) a multiple of six (6) months.

21          (c) The penalties under subsection (b) are imposed only on the  
 22          principal amount of the delinquent taxes.

23          (d) If the department of local government finance determines that an  
 24          emergency has occurred which precludes the mailing of the tax  
 25          statement in any county at the time set forth in IC 6-1.1-22-8, the  
 26          department shall establish by order a new date on which the installment  
 27          of taxes in that county is due and no installment is delinquent if paid by  
 28          the date so established.

29          (e) If any due date falls on a Saturday, a Sunday, a national legal  
 30          holiday recognized by the federal government, or a statewide holiday,  
 31          the act that must be performed by that date is timely if performed by the  
 32          next succeeding day that is not a Saturday, a Sunday, or one (1) of  
 33          those holidays.

34          (f) A payment to the county treasurer is considered to have been  
 35          paid by the due date if the payment is:

36               (1) received on or before the due date to the county treasurer or a  
 37               collecting agent appointed by the county treasurer;

38               (2) deposited in the United States mail:

- 1 (A) properly addressed to the principal office of the county  
 2 treasurer;  
 3 (B) with sufficient postage; and  
 4 (C) certified or postmarked by the United States Postal Service  
 5 as mailed on or before the due date; or  
 6 (3) deposited with a nationally recognized express parcel carrier  
 7 and is:  
 8 (A) properly addressed to the principal office of the county  
 9 treasurer; and  
 10 (B) verified by the express parcel carrier as:  
 11 (i) paid in full for final delivery; and  
 12 (ii) received on or before the due date.

13 For purposes of this subsection, "postmarked" does not mean the date  
 14 printed by a postage meter that affixes postage to the envelope or  
 15 package containing a payment."

16 Page 4, delete lines 1 through 39.

17 Page 5, delete lines 14 through 16.

18 Page 5, line 17, delete "(ii) The" and insert "**the**".

19 Page 5, run in lines 13 through 17.

20 Page 5, between lines 34 and 35, begin a new paragraph and insert:

21 "SECTION 6. IC 14-33-10-3 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) An  
 23 assessment not paid in full shall be paid in annual installments over the  
 24 time commensurate with the term of the bond issue or other financing  
 25 determined by resolution adopted by the board. Interest shall be  
 26 charged on the unpaid balance at the same rate per year as the penalty  
 27 charged on delinquent property tax payments under ~~IC 6-1.1-37-10~~.  
 28 **IC 6-1.1-37-10(a)**. All payments of installments, interest, and penalties  
 29 shall be entered on the assessment roll in the office of the district.

30 (b) Upon payment in full of the assessment, including interest and  
 31 penalties, the board shall have the lien released and satisfied on the  
 32 records in the office of the recorder of the county in which the real  
 33 property assessed is located.

34 (c) The procedure for collecting assessments for maintenance and  
 35 operation is the same as for the original assessment, except that the  
 36 assessments may not be paid in installments.

37 SECTION 7. IC 36-9-36-37 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 37. (a) Except as

provided in section 38 of this chapter, the entire assessment is payable in cash without interest not later than thirty (30) days after the approval of the assessment roll by the works board if an agreement has not been signed and filed under section 36 of this chapter.

(b) If the assessment is not paid when due, the total assessment becomes delinquent and bears interest at the rate prescribed by ~~IC 6-1.1-37-10~~ **IC 6-1.1-37-10(a)** per year from the date of the final acceptance of the completed improvement by the works board.

SECTION 8. IC 36-9-36-55 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 55. (a) An irregularity or error in making a foreclosure sale under this chapter does not make the sale ineffective, unless the irregularity or error substantially prejudiced the property owner.

(b) A property owner has two (2) years from the date of sale in which to redeem the owner's property. The property owner may redeem the owner's property by paying the principal, interest, and costs of the judgment, plus interest on the principal, interest, and costs at the rate prescribed by ~~IC 6-1.1-37-10~~ **IC 6-1.1-37-10(a)**.

(c) If the property is not redeemed, the sheriff shall execute a deed to the purchaser. The deed relates back to the final letting of the contract for the improvement and is superior to all liens, claims, and interests, except liens for taxes.

SECTION 9. IC 36-9-37-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 19. (a) If a person defaults in the payment of a waived installment of principal or interest of an assessment, the municipal fiscal officer shall mail notice of the default to the person. The notice must meet the following conditions:

- (1) Be mailed not more than sixty (60) days after the default.
- (2) Show the amount of the default, plus interest on that amount for the number of months the person is in default at one-half (1/2) the rate prescribed by ~~IC 6-1.1-37-10~~ **IC 6-1.1-37-10(a)**.
- (3) State that the amount of the default, plus interest, is due by the date determined as follows:

(A) If the person selected monthly installments under ~~IC 36-9-37-8.5(a)(1)~~, **section 8.5(a)(2) of this chapter**, within sixty (60) days after the date the notice is mailed.

(B) If the person selected annual installments under ~~IC 36-9-37-8.5(a)(2)~~, **section 8.5(a)(1) of this chapter**, within

1 six (6) months after the date the notice is mailed.

2 (b) A notice that is mailed to the person in whose name the property  
3 is assessed and addressed to the person within the municipality is  
4 sufficient notice. However, the fiscal officer shall also attempt to  
5 determine the name and address of the current owner of the property  
6 and send a similar notice to the current owner.

7 (c) Failure to send the notice required by this section does not  
8 preclude or otherwise affect the following:

9 (1) The sale of the property for delinquency as prescribed by  
10 IC 6-1.1-24.

11 (2) The foreclosure of the assessment lien by the bondholder.

12 (3) The preservation of the assessment lien under section 22.5 of  
13 this chapter.

14 SECTION 10. IC 36-9-37-20 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) If any  
16 principal and interest, or an installment of principal and interest, is not  
17 paid in full when due, the municipal fiscal officer shall enforce payment  
18 of the following:

19 (1) The unpaid amount of principal and interest.

20 (2) A penalty of interest at the rate prescribed by subsection (b).

21 (b) If payment is made after a default, the municipal fiscal officer  
22 shall also collect a penalty of interest on the delinquent amount at  
23 one-half (1/2) the rate prescribed by ~~IC 6-1.1-37-10~~ **IC 6-1.1-37-10(a)**  
24 for each six (6) month period, or fraction of a six (6) month period,  
25 from the date when payment should have been made.

26 SECTION 11. [EFFECTIVE JANUARY 1, 2007] ~~IC 6-1.1-37-10,~~  
27 **as amended by this act, applies only to ad valorem property taxes**  
28 **first due and payable after December 31, 2006.**

29 SECTION 12. [EFFECTIVE UPON PASSAGE] **(a) For ad**  
30 **valorem property taxes and assessments first due and payable in**  
31 **2006:**

32 **(1) notwithstanding IC 6-1.1-18.5-12, as amended by this act,**  
33 **that section applies as if the date in IC 6-1.1-18.5-12(a)(2)(B)**  
34 **were April 1 instead of March 1; and**

35 **(2) notwithstanding IC 6-1.1-19-2, as amended by this act, that**  
36 **section applies as if the date in IC 6-1.1-19-2(d)(2)(B) were**  
37 **April 1 instead of March 1.**

38 **(b) This SECTION expires January 1, 2007.**

1       SECTION 13. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-18.5-12,**  
 2       **IC 6-1.1-19-2, IC 6-1.1-21-2, IC 6-1.1-22-3, IC 6-1.1-22-5,**  
 3       **IC 6-1.1-22-9, IC 6-1.1-22-9.5, and IC 6-1.1-22.5-6, all as amended**  
 4       **by this act, apply only to property taxes first due and payable after**  
 5       **December 31, 2005."**

6       Page 5, line 37, delete "**June 30,**" and insert "**December 31,**".

7       Page 5, after line 37, begin a new paragraph and insert:

8       "**SECTION 16. An emergency is declared for this act.**".

9       Re-number all SECTIONS consecutively.

(Reference is to SB 355 as reprinted January 24, 2006.)

**and when so amended that said bill do pass.**

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Representative Espich